

Secretary's Representatives; Notice PIH 97-5 (HA)  
Public Housing Directors; Issued: 1/21/97  
Administrators, Area Offices Expires: 1/31/98  
of Native American Programs;  
Public Housing Agencies; Indian  
Housing Authorities; Resident  
Management Corporation (RMCs); Resident  
Councils (RCs); Resident Organization (RO);  
Intermediaries (NROs/RROs/SROs)

**Subject: Grant Closeout Procedures**

I. **Objective:** The objective of this Notice is to standardized the procedures to be followed by grantees and local HUD Office staff in closing out a grant agreement for programs funded under the Office of Community Relations and Involvement (OCRI). The procedures cover partial or complete termination for cause by HUD as well as normal closeout with all activities satisfactorily completed by the grantee.

II. **Background:** Office of Management and Budget Circular A-110, Attachment K, establishes uniform grant closeout procedures for nonprofit organizations administering federal grants. This includes Resident Management Corporations, Resident Councils, and all other nonprofit organizations receiving Public and Indian Housing grants. Circular A-110 has been codified by the Department under CFR Part 84.71.

Grants administered by Public or Indian Housing Agencies are governed by OMB Circular A-102 codified in CFR Part 85.50. These circulars apply to both grantees and subgrantees receiving the following OCRI/PIH grants:

- o Tenant Opportunities Program (TOP)
- o Drug Elimination grants (PHDEP)
- o Youth Sports grants (YSP)
- o Family Investment Centers (FIC)
- o Youth Apprenticeship Program (YAP)
- o Economic Development/Supportive Services grants (EDSS)
- o Any other current and/or future OCRI administered grants

III. **Closeout Procedures:** Closeout is a process by which the Field Office determines that all applicable administrative actions and all required work of the project have been completed by the grantee and HUD.

- A. The Director, Office of Public Housing or the Administrator, Office of Native American Programs is responsible for all administrative actions and controls necessary for a timely closeout of all OCRI grants.
- B. Grantee closeout actions. Grantee closeout actions are required to complete the following:
  - 1. It is the responsibility of the grantee to comply in full with all closeout requirements and to submit reports in a timely manner. The grantee should refer to all applicable HUD requirements as well as all general and special conditions contained in the grant agreement.
  - 2. Within **90 calendar days** after the termination date of the grant, or any approved extension (revised termination date), or early termination by HUD for cause, the following documents must be submitted by the grantee to the Field Office:
    - a. Final Financial Status Report, SF-269A.
    - b. Final narrative report.
- C. Field Office closeout actions. The Field Office shall take the following actions to assure that all closeout requirements are met:
  - 1. At least **60 calendar days** (45 days for grants terminated for cause) before the grant termination date, the Field Office shall review the grant file and remind the grantee of:
    - a. The grant termination date;
    - b. Time limits on the expenditure of funds;
    - c. Reporting submission requirements; and
    - d. Record retention requirements.
  - 2. No later than **90 calendar days** after the grant termination date, the Director, Office of Public Housing or Administrator, Office of Native American Programs, will review the contents of the official grant file against the closeout requirements and:
    - a. Make sure all required reports have been received. If not, notify grantee of overdue reports and grant closeout requirements. Enforcement of regulatory requirements are detailed in CFR Part 84.62 for nonprofits and CFR Part 85.43.

b. Perform all closeout actions which can be taken at that time and identify any remaining obstacles.

3. No later than **90 calendar days** after receipt of the final reports, the Field Office shall perform the following review of the reports:

a. The amounts on SF-269A must not be in excess of the budgeted amounts approved for the project activities.

b. The final narrative report must reflect completion of the program with respect to purpose of the activities authorized.

c. The amounts of funds approved and drawn down, as reflected in LOCCS, must be reconciled with the expenditures as reported on the final SF-269A submitted by the grantee.

d. If the SF-269A indicates that excess funds have been provided to the grantee, the Field Office shall direct the grantee to immediately remit excess funds. The Field Office must then notify the Field Accounting Division (FAD) that funds are due from the grantee and the FAD will establish an accounts receivable for the amount due. The funds must be remitted by wire transfer for amounts equal to or greater than \$2,000 or by check for lesser amounts made payable to U.S. Department of HUD.

e. If the SF-269A indicates that the grantee is owed additional funds, the Field Office shall direct the grantee (if the grantee has not already done so) to request the funds using LOCCS/VRS. The Office must then approve the draw down in LOCCS since an automatic review flag is set by LOCCS once a grant reaches the "Grant End Date" in the system.

f. Once the final Financial Status Report (SF-269A) has been approved, after collecting any accounts receivable or approving any draw downs due the grantee, the Field Office shall close out the grant by entering the "Pre-Audit End Date" in LOCCS. Entering this date in LOCCS stops all reminder letters to the grantee and no longer allows for any drawdown of funds.

g. At the next audit of the grantee, the independent auditor's report must be reviewed by the financial analyst to determine if there were any findings related to the grant previously closed out. Government auditing standards will determine the extent of audit procedures performed on this grant and the reports, if any, required of the auditor. If any findings come to light, the financial analyst shall inform the

Community Relations and Involvement Specialist (CRI) for follow-up and action. This includes setting up a receivable from the grantee for unallowed costs or paying the grantee for allowed costs still due. Both of these actions must be done through the FAD. If there are no findings contained in the report, the CRI shall send a letter to the FAD instructing them to enter the post-audit end date without any further modifications. LOCCS will automatically recapture any unused funds.

h. The FO shall provide a status report to OCRI within 30 days after the end of each quarter of all grants which have been closed out. The report should include: name of the program; name of the grantee; year funded; closeout date; and any other pertinent information.

IV. **File Retention:** Files should be maintained at official file stations until the grant is officially closed out. Upon official closeout, records should remain in the Field Office for one year and then retired to the Federal Records Center (FRC) for five additional years. Records must be maintained for a minimum of six years after closeout prior to being destroyed. Details regarding requirements for retirement of files to the FRC can be obtained from the administrative officer of the local Field Office.

/s/

Kevin E. Marchman  
Acting Assistant Secretary for  
Public and Indian Housing